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Book Department

BALDWIN, D. C. *Capital Control in New York (State)*. Pp. xxiv, 225. Price, \$3.00. New York: McDevitt-Wilson's Inc., 1921.

Up to a few years ago, many public utilities had the habit of claiming that "a contract was a contract," while, lately, a large part of the consuming public has been inclined to adopt the slogan as its own. But there has of late been evident a growing realization on the part of the public that while revenge may be sweet, it has its limitations as a steady diet. We can exist without the utilities, but we cannot "live" without them; not only are they indispensable to our present standard of comfort, but they are already lagging far behind our demands upon them. The utilities, on the other hand, cannot serve us without a sound basis of credit, the foundation of which is a budget which not only balances, but allows for the necessary reserve and emergency funds. The result of the harrowing experiences of the last five years is that now, after the pendulum has been allowed to swing both ways, both the utility corporations and the public have experienced a deeper realization than ever before of the mutual benefit to be derived from the proper governmental control of the issuance of securities.

In view of the more widespread realization of this fact brought about by recent events, a study of the regulation of security-issues accomplished in the State of New York is welcome at this time. New York was one of the first of our commonwealths to inaugurate effective control in this matter, and, being the wealthiest and most populous of the states, the problems involved were especially numerous and complex; in fact, the First District Commission, with jurisdiction over the city of Greater New York, had to cope with problems that were unique and without a parallel, either in this country or in Europe.

The author of this monograph has traced the growth of New York's administrative regulation of security-issues from the first crude and nominal beginnings in the early fifties of the last century to the middle of 1918, since which time little of constructive

significance has been accomplished. Really effective control of securities in the State of New York dates from the going into effect of the Public Service Commissions Law (July 1, 1907). This act was fathered by Governor Hughes and its final enactment was due almost wholly to his persistent efforts. The passage of this act marked an epoch in public utility regulation. For years the control of the issuance of securities by regulative bodies had been recognized as the key to all the other aspects of utility regulation, and this act, creating the Public Service Commissions of the First and Second Districts, respectively, not only granted them power to compel the rendering of adequate service to the public, but also clothed them with authority to approve or reject proposed issues of stocks and bonds. In the ten years following 1907, the New York Commissions accomplished a vast amount of pioneer work with the aim of securing as conservative capitalizations as were possible in the face of the chaotic conditions with which they were confronted, to the end that the investing public might be protected without the necessity of exploiting the consuming public either through the furnishing of inadequate service or the charging of exorbitant rates.

The principles worked out by the Commissions during this period, and subsequently upheld or modified by the courts, make an interesting study both from the standpoint of governmental authority and of investment protection. In the further elaboration of sound governmental control of security-issues, which recent experience has shown to be so necessary for all parties concerned, these principles will be regarded as among the most valuable precedents available.

HAYES, EDWARD CARY. *Sociology and Ethics*. Pp. viii, 354. Price, \$3.00 net. New York: D. Appleton and Company, 1921.

This book may be said to be a footnote to a paragraph in the author's *Introduction to Sociology*, published five years ago, in